
February 12, 2003

Mr. Mike Robinson, Commissioner
Cabinet for Health Services
Department for Medicaid Services
275 E. Main Street
Frankfort, KY 40621-0001

Dear Mr. Robinson:

The State of Kentucky has applied for renewal of the 1915(b) waiver for the Non-emergency Transportation (NET). Based on our review of the waiver application, we have determined that more information is needed to assure the waiver fully conforms to the statutory and regulatory requirements necessary for approval. Please provide additional information and/or clarification for the following:

Questions/Issues are ordered in the same manner as the State's application submission (preprint, followed by appendices.) Page numbers referenced in the Questions/Issues are provided where available.

From the preprint:

1: Appendix III.C.(2) Numbers and Types of Qualifying Providers (Pg.7)

Please outline the numbers and types of providers by region that are currently operating in the program. Please distinguish among types of carriers (taxis, wheelchair vans, buses) and identify public and private providers. Are providers dedicated to the Medicaid population, or do they serve the public at large?

2: How will you ensure the continuation of transportation benefits to a beneficiary who has registered a complaint/grievance?

3: Appendix IV.C. (1.) (b.) Waiting Times (Pg.11)- The 2000 independent assessment noted that rider surveys identified some dissatisfaction due to late pickups. Please provide corrective measures that were instituted to address this issue and whatever evidence you have that corrective measures improved late pickups.

4: Please describe your procedures for handling requests for:

- transportation to urgent care services, since those services must be provided within 48 hours.
- transportation where recipient is unable to provide 72-hour notice (for example, a physician asks the patient to return in two days for a follow-up visit).

5: Appendix IV.C.(1.) (c.) Provider-to-beneficiary ratios (Pg.11) Please provide provider to beneficiary ratios utilizing updated recipient counts for each region. What activities are you conducting to monitor and improve these ratios? Also provide region-specific information regarding any significant provider attrition during the previous renewal period.

6: What actions have been taken in response to allegations by the provider community that broker/providers are favored in the dispatching of trips? Do you have any evidence that the provider community has responded favorably to any remedial actions that have been taken?

7: The study by the University of Kentucky, as well as a recent review conducted by CMS Region IV, cited the need for a provider handbook to provide guidance to the regional brokers. Does the State have any plans to implement this suggestion? If so, please provide a brief description of the plan and timeline for implementation.

8: Appendix V.C.Cost Effectiveness (Pg. 13) Please explain capitation rate calculations and how they are implemented geographically.

9: Please provide an analysis of actual vs. projected expenditures under the waiver during the previous renewal period.

From your attachments:

10: Appendix II.I (4) Waiver Population (Pg.23) When discussing which individuals are covered under this waiver, your explanation says, "It is believed" that the remaining recipients represent Medically Needy- are we certain that, since the KYTC arranges transportation for other than Medicaid, could this number include TANF recipients also transported through this system?

11: Appendix II.K. Distance/Travel Times (Pg.24)- What is the standard wait time when a beneficiary is being transported between two covered services (for example, from a PCP to a specialist's office.)

12: Appendix III.A.3.(a.) Implementation Process (Pg.26) Was Region 6 the region referenced in this section?

13: How does the issue of the loss of the regional broker impact on the historic and projected savings / cost effectiveness? Please address the possible impact of the pricing bid in the new Region 6 RFP in your response.

14: Appendix III.A.3.(b) Implementation/ Special Needs Populations (Pg.27-31) You have provided extensive information about assuring vehicle fitness. Please provide a more detailed description of how you verify and monitor driver fitness.

15: Appendix III.A.4. (a.) Educational Materials (Pg.25) Please provide a copy of your current brochure explaining the non-emergency transportation program. Describe the process of

distributing this document. Is it mailed at the time of initial application? Also, is it mailed yearly, to recipients with no break in enrollment?

Mr. Mike Robinson, Commissioner
February 12, 2003
Page 3

16: The 2000 independent assessment indicated that only 20% of survey respondents reported that they received the informational brochure. The survey also found that a significant proportion of respondents did not know how to access transportation 24 hours a day / 7 days a week. Additionally, nearly half of survey respondents did not know whom to contact to register a complaint. Please describe the measures you have taken to correct these identified issues and report any evidence you have that the corrective measures have resulted in improvements in these areas.

17: How is the toll free number distributed to beneficiaries?

18: Appendix IV.B. Grievance Process (Pg. 36)- Please provide a copy of your current grievance policy and process, including information as to how recipients are informed of fair hearing rights. Were these revised, as advised by the LRC, to conform with Federal regulations and the State Medicaid Plan?

19: Appendix IV. C. Monitoring Access (Pg.37-40) Please provide a summary of results of most recent annual audits, as well as any other reports pertaining to quality / access monitoring.

20: You provide a general description of mechanisms you are using to monitor and improve access. Please describe any significant problems/issues that have been identified through these activities, as well as quality improvement activities undertaken to address problems/issues.

21: With respect to broker/provider meetings and field visits, please provide a summary of activities and identified issues of each from the previous renewal period.

22: Appendix IV.D. Periodic Beneficiary Surveys (Pg.39) Please provide a copy of the aggregate results of the most recent customer satisfaction survey.

23: Please describe any quality improvement activities you have conducted in response to issues identified by survey responses. In particular, please address no-shows and late pick-ups reported in the 2000 Independent Assessment. Please provide any evidence you have of improvement.

24: Appendix V.B (Pg.41) There is currently no contracted broker in Region 6 (formerly Regions 6 & 7, per Pg.42 of the application). You indicate that a Request for Proposal was issued December 6, 2002. What is your timeline for awarding a new contract? What is your plan for assuring statewide of this waiver program?

25: (Pg.42) You note that the Kentucky Governor's Office for Policy and Management concluded that the Tichenor report's growth factors may have been overstated and duplicative and offered a revised spreadsheet that lowered the SLC and ADC enrollment projections and

inflation factor. Please confirm that your final projections were based upon these revised assumptions.

Mr. Mike Robinson, Commissioner
February 12, 2003
Page 5

26: With regard to the increased number of beneficiaries served in SLC and ADC programs, prior to their addition to the NET waiver program, how were transportation services being provided to this group? Was this under another waiver authority?

27: Tichenor Report (Pg. 13) Tichenor recommended a systematic approach to audits and edits of billings and suggested that this approach would further reduce padding of mileage and upcoding. What remedial actions have been taken or are planned to respond to this suggestion?

28: (Pg. 15) Tichenor states that utilization varied regionally from a low of 18% to a high of 56%. You have provided aggregate information regarding the costs of NET transportation for Medicaid beneficiaries. Please provide additional information reflecting the distribution of trips per user and spending per user on a monthly and annual basis. For example, what would be the cost and characteristics of a high utilizing beneficiary, for example a dialysis patient. Similarly, the cost and characteristics of a beneficiary with medium utilization?

29: (Pg. 15) Several brokers responded that getting the required statement from a physician to receive the more expensive forms of transportation (specialty carrier) is “much too easy.” What corrective actions have been taken to prevent potential misuse of more costly forms of transportation and ensure that the most appropriate and cost effective form of transportation is used?

30: (Pg. 16) The report states that here is an estimated 15-20% of people receiving transportation services who have cars in the household. What safeguards are in place to prevent the provision of Medicaid NET waiver services to beneficiaries with access to personal transportation?

31: (Pg. 17) Regarding transportation outside the region, what control mechanisms are in place to assure that physician referrals outside the service area are necessary and appropriate?

32: Exhibit I-B Region 6/7 do not appear in calculations. How is non-emergency transportation currently handled in those regions? Were these regions uniformly left out of all calculations?

33: 1999 Legislative Research Commission (LRC) Recommendations: LRC recommended that the State use an independent contractor for monitoring and reporting on quality activities. Are the State’s quality activities currently conducted by an independent consultant? Please explain.

34: LRC suggested the State consider independent investigators, rather than brokers, to receive and respond to beneficiary complaints. Was this suggestion implemented? If so, please provide background information and results. If not, please explain how monitoring and reporting on quality activities are provided.

35: LRC recommended that the State acquire an independent contractor to redesign and administer rider satisfaction surveys. Was this recommendation implemented? Please explain the process/procedures for satisfaction surveys..

Mr. Mike Robinson, Commissioner
February 12, 2003
Page 6

36: Policy: Medicaid Covered Services- Hearings and Appeals

Section 2, (2) (d) makes reference to an explanation of the circumstances under which payment for services shall be continued if a hearing is requested. Please provide reasons (if any) whereby transportation services would be denied, other than for lack of Medicaid eligibility.

37: Denial Letter Logs: Please provide logs for October and November 2002 or most recent reporting period. (If possible, please include information for Medicaid recipients only, rather than Medicaid and KTAP.)

38: Master Agreement between the Commonwealth of Kentucky and the Kentucky Transportation Cabinet (Pg. 12, Z.) refers to an Emergency Broker Replacement Plan. Was this plan used when the broker stopped serving Region 6/7? Please provide a copy of this document.

Under section 1915(f)(2) of the Social Security Act, a waiver request must be approved, denied or additional information requested within 90 days of receipt, or the request will be deemed granted. The 90-day period in this case ends on March 16, 2003. This constitutes a formal request for additional information, and a new 90-day period begins upon receipt of the State's written response.

Please forward your response to our request for information to the Regional Office along with a copy to:

Centers for Medicare and Medicaid Services
Claudia Lamm
Mail Stop S2-14-26
7500 Security Boulevard
Baltimore, Maryland 21244

If you have any questions, you may contact Marsha Montague at (404) 562-7506.

Sincerely,

/s/

Rhonda R. Cottrell
Associate Regional Administrator
Division of Medicaid and Children's Health